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JOINT INSPECTION UNIT

PERSONNEL QUESTIONS

Grade overlap

Note by the Secretary-General

Addendum

The Secretary-General has the honour to submit to the General Assembly his comments on the report of the Joint Inspection Unit entitled "Grade overlap" (A/47/140).

* A/47/50.

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ANNEX

Comments of the Secretary-General

1. The Secretary-General welcomes the overall review of the reasons underlying the overlap between Professional and General Service salaries and of its impact on personnel management for the organizations of the common system that is provided in the report.

2. As stated in the report, the salary overlap existing at certain headquarters duty stations is mainly due to the different mechanisms used to establish the salaries of the different categories of staff. The methods of salary determination for the General Service and Professional categories are derived from different recruitment policies. General Service staff are recruited on a local basis. The principle underlying the determination of salaries for this category of staff is that they should be set by reference to those offered by a cross-section of the best employers in the locality, including the private sector. By contrast, Professional posts are subject to international recruitment and, thus, the salaries applicable to this category of staff are not determined according to local conditions but, instead, by reference to salary levels offered by the best paid national civil service. A study on pay comparability conducted by the comparator in 1990 revealed that there is a significant gap between United States civil service salaries and those offered by the private sector. In addition, while salaries of General Service staff serving at headquarters locations have been adjusted by and large for full movement of the cost of living, Professional salaries have not kept pace with inflation. Under the circumstances, the overlap between General Service and Professional salaries is unavoidable.

3. In 1985 the salaries of Professional staff of the organizations of the common system were frozen to account for the fact that the level of remuneration of the United Nations system as compared to that of the United States federal civil service exceeded the margin approved by the General Assembly. The decline in the purchasing power of Professional salaries brought about by this freeze had an impact on the amplitude of the salary overlap. It could be argued that, if Professional salaries had been allowed to move freely, the salary overlap existing at certain headquarters duty stations would have remained at a level acceptable to the organizations of the common system.

On specific aspects, the following points are noted:

The extent of salary overlap at different duty stations

4. The issue is examined in section III of the report. As indicated therein, salary overlap is by and large limited to headquarters duty stations. In fact, in the majority of field locations the reverse occurs, i.e. there is a wide gap between General Service and Professional

remuneration. Conversely, at headquarters duty stations, top General Service salaries overlap with those of Professional staff. The report states that the overlap of salaries between senior General Service staff and junior Professional staff at the P-1 and P-2 levels is a situation by and large accepted by the organizations (para. 26). It should be noted in this regard that a similar type of overlap exists in the remuneration structure of outside employers, including the comparator. Positions comparable to senior General Service posts are normally assigned the same "job value" as that given to junior Professional levels to account, inter alia, for the experience and knowledge acquired by individuals encumbering senior non-managerial positions as compared to entry-level professional posts, which do not require prior experience.

5. At certain headquarters duty stations, however, the overlap in salaries is more significant. Although the exclusion of certain benefits applicable to Professional staff from the comparative study presented in the report tends to overestimate the extent of the overlap, situations such as those of Geneva and Rome, where the overlap extends to senior Professional levels, create an element of distortion in the remuneration structure and progression between categories. The Secretary-General shares the views expressed in the report that in such extreme cases a salary overlap of that magnitude could give rise to personnel management problems, particularly in terms of career development and motivation.

Functional overlap

6. The report also makes reference to functional overlap as a cause for salary overlap. The Secretary-General would note in this regard that, while some of the duties and responsibilities performed at the top grades of the General Service category can be considered to be of a semi-Professional nature, in terms of classification, General Service and Professional posts fall under two distinct categories encompassing different types of functions and responsibilities. Cases such as those mentioned in the report concerning General Service staff members who are required to perform duties corresponding to Professional posts should not have a bearing on salary overlap, as posts that are not fully consistent with the classification standards applicable to the General Service category should not be taken into account for salary survey purposes. Thus, in the view of the Secretary-General, the salary overlap existing at headquarters duty stations between senior General Service positions and junior Professional posts may be more indicative of the overlap found in the labour market between senior clerical and junior management positions rather than functional overlap.

The impact of comparator

7. In paragraph 39 of the report, the Inspector makes reference to the Federal Pay Comparability Act and its impact on the salary overlap. As noted therein, the salary levels of the comparator are acknowledged to be lagging behind the private sector by 28 per cent. The Federal Pay Comparability Act was enacted for the purpose of bringing civil service salaries gradually into

line with those of the private sector. The changes in remuneration envisaged by the comparator, if implemented in their totality, would have a notable impact on the level of remuneration of Professional staff and, hence, on the salary overlap between the General Service and Professional categories. Salary distortions between these categories of staff at Headquarters duty stations will, however, continue to exist until such time as the competitiveness of Professional salaries is fully restored. The Secretary-General would note in this regard that in 1991 the Administrative Committee on Coordination (ACC) requested the International Civil Service Commission (ICSC) to undertake a study of the conditions of service of staff at equivalent levels in other international institutions with a view to reporting to ACC at its autumn 1992 session on proposals to be presented to the General Assembly at its forty-seventh session. It should be also noted that, at the request of the General Assembly, ICSC will be undertaking a study of the relativities between the terms and conditions of staff in the Professional and higher categories and those in other categories.

Unified personnel structure

8. The Secretary-General shares the concerns raised by the Inspector in paragraph 40 of the report with regard to the possibility of introducing a unified personnel structure as a solution to the salary overlap. On the practical side, he would note, in particular, the consequential reductions in salaries of General Service staff at headquarters duty stations resulting from the application of a single salary scale. Furthermore, it will be recalled that ICSC and other technical bodies that considered this issue in the past concluded that the concept of a unified personnel structure was incompatible with the requirements of the common system organizations.

9. Finally, the Secretary-General notes that the report ends with conclusions and does not present any recommendations for possible action. The report assumes that ICSC will recommend measures to correct the distortions in the present salary system.